ORDINANCE NO. 5508

AN ORDINANCE TO AMEND SECTION 25-185 OF THE CODE OF ORDINANCES OF THE CITY OF MEMPHIS TO BAN PENSION DOUBLE DIPPING

WHEREAS , employees of the City of Memphis participate in a pension and rightfully expect to receive their pension benefit upon retirement; and

WHEREAS, it is unfair for Memphis taxpayers when retired government employees are rehired by local government and allowed to "double-dip", or receive regular pay and pension benefits at the same time; and

WHEREAS, it is in the City's interest to end the "double-dip" loophole in the future in order to help our pension fund remain solvent and maintain equitable compensation guidelines.

NOW, THEREFORE

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEMPHIS that Section 25-185 of the City of Memphis, Code of Ordinances is hereby amended by to read as follows:

Section 25-185

If a participant receiving benefits pursuant to this 1978 plan is reemployed after his annuity commencement date, no further benefit payments shall be made to that participant during his period of reemployment. Subsequent benefits and an appropriate annuity commencement date for that participant shall be determined based on his years of service determined under section 25-1(43) and in accordance with this Article VII, as applicable; provided, however, subsequent benefits shall be reduced by the actuarial equivalent of any amounts distributed between his first annuity commencement and his most recent reemployment commencement date, but not to an amount less than the annual plan benefit he was receiving immediately before his most recent reemployment commencement date.

Any employee that leaves employment at the City of Memphis and is eligible for a pension benefit and is then employed at the MLGW, Shelby County, the Shelby County School system or any other taxpayer supported Primary Government and Discretely Presented Component Units of Memphis or Shelby County shall have his/her pension payment reduced by the amount of the salary received up to the amount of the pension payment during the period of employment. If the pension payment exceeds the salary, then the pension payment shall be reduced by the amount of the gross amount of the salary during the period of employment.

Kemp Conrad
Council Member